

DEPARTMENT OF THE ARMY
U.S. ARMY MILITARY DISTRICT OF WASHINGTON
Fort Lesley J. McNair, DC 20319-5058

MDW Regulation
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Procurement
GOVERNMENT PURCHASE CARD PROGRAM


FOR THE COMMANDER:

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History. This publication was originally published on 30 September 1997. This printing incorporates changes made since that date.

Summary. This regulation prescribes responsibilities, policies, and procedures associated with the use of the Government Purchase Card (GPC) Program for the acquisition of goods and services up to \$2,500 and construction up to \$2,000. The Principal Assistant Responsible for Contracting (PARC) is designated as the U.S. Army Military District of Washington (MDW) proponent for the program, pursuant to the Army Federal Acquisition Regulation Supplement (AFARS). Card maintenance and accountability are established, as are pertinent prohibitions, which include procurement for goods and/or services associated with the information management/information technology (IM/IT) as described in AR 25-1, DA Pam 25-1-1, and AR 25-30, prior to Chief Information Officer (CIO) and directorates of information management (DOIM) approval.

This revision replaces the title "International Merchant Purchase Authorization Card" (IMPAC) program with the title "Government Purchase Card" (GPC) program.

Applicability. This regulation applies to Headquarters, MDW, and all installations, subordinate commands, and activities of the MDW major Army command (MACOM).

Supplementation. Supplementation of this regulation and the establishment of local forms are prohibited except upon approval of the Commanding General, MDW. Proposed supplements will be justified in writing and submitted for approval to the Commander, MDW, ATTN: ANPC, 103 Third Avenue, Fort Lesley J. McNair, DC 20319-5058.

Suggested improvements. The proponents of this regulation are the Principal Assistant Responsible for Contracting (PARC) (policies and over-all implementation), Deputy Chief of Staff for Resource Management (DCSRM) (financial management), Deputy Chief of Staff for Support (DCSSPT) (property accountability), and the Chief Information Officer (CIO) (IM/IT). Users are invited to send comments or suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) to CDR, MDW, ATTN: ANPC, 103 Third Avenue, Fort Lesley J. McNair, DC 20319-5058.

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Chapter 1

Introduction

Section I

General

1-1. Purpose

a. This regulation prescribes responsibilities, policies, and procedures for the acquisition of micro-purchases through the use of the Government Purchase Card (GPC) Program, a procurement instrument within the MDW. It provides guidance on the use of the GPC electronic access system. Additionally, the GPC provides for the--

(1) Appropriate and necessary documentation for all organizational levels to support the integrity of the Customer Automation and Reporting Environment (C.A.R.E.), an automated process related to a paperless billing, reconciliation, and payment system for the GPC.

(2) Establishment of audit trails.

1-2. References

Related publications are listed below:

a. FAR Part 8, Required Sources of Supplies and Services. (Website for 2a-e: <http://mdwsps2.belvoir.army.mil/linksmdw.htm>; "FAR, DFARS, AFARS.")

b. FAR Part 13.301, Government-wide Commercial Purchase Cards.

c. DFARS Subpart 13.270, Actions at or Below the Micro-purchase Threshold.

d. AFARS Subpart 13.900, Government Purchase Cards.

e. AFARS, Appendix DD, Part 203, Management Control Evaluation Checklist.

f. DoD Purchase Card Program Management Office Memorandum, 20 Jul 98, subject: Purchase Card Program Reengineering Implementation Memorandum #6: Streamlined Payment Practices. (Website: <http://purchasecard.sarda.army.mil/>, "Policy Letters".)

g. DFAS-IN Manual 37-100, chapter 9, Vendor Pay, and Using Purchase Cards for Small Purchases. (Website: <http://dfas4dod.dfas.mil/centers/dfasin/library/ar37-1/>.)

h. AR 710-2, Inventory Management Supply Policy Below the Wholesale Level. (Website: <http://www.usapa.army.mil/gils/epubs2.html>.)

1-3. Explanation of abbreviations and terms

Abbreviations and special terms used in this regulation are explained in the glossary.

Section II Responsibilities

1-4. Principal Assistant Responsible for Contracting (PARC)

The PARC will--

a. Maintain responsibility for policies and implementation of the Government Purchase Card Program for the MACOM.

b. Delegate contracting authority to use the purchase card to cardholders by letter of delegation.

c. Develop command-wide policies and procedures consistent with program initiatives.

1-5. Deputy Chief of Staff for Resource Management (DCSRM)

The DCSRМ will manage the funds of the GPC program. The local director of resource management (DRM) will manage the funds of the GPC program at the installation/garrison level.

1-6. Deputy Chief of Staff for Support (DCSSPT)

The DCSSPT will be responsible for MDW command-wide property accountability for the purchase card program. Installation logistics and engineering activities (e.g., Directorate of Logistics (DOL), Department of Public Works (DPW), DPW & Logistics (DPW&L), etc.) will be responsible for staff supervision over property accountability within the GPC program at the installation/garrison level.

1-7. Chief Information Officer (CIO)

The CIO will ensure that the installation/garrison DOIM establishes appropriate procedures to expedite approvals of requests for capability requirements of IM/IT equipment, supplies, or services when using the purchase card.

1-8. Installation/Garrison Commanders

The installation/garrison commanders, through their local directorate of contracting (DOC), will oversee the GPC Program for their installation/garrison.

1-9. Director of Contracting (DOC)

The DOCs will implement and administer the GPC program at their installation/garrison. The DOCs will--

- a. Designate an agency program coordinator (APC) within the DOC to coordinate and administer the GPC Program at the installation/ garrison level.

- b. Issue written delegations of authority to cardholders and "letters of appointment" to billing officials (BO).

- c. Ensure appropriate functional participation in the development, administration, and training of the GPC Program (e.g., DRM, DOIM, etc.).

1-10. Director of Resource Management (DRM)

The DRMs will--

- a. Ensure that the funds control officer (FCO) reserves adequate funding for GPC purchases in "bulk" for micro-purchases, and not on a transaction-by-transaction basis prior to payment, as directed by the Assistant Secretary of the Army, Financial Management.

- b. Develop the Child Rule Sets, Default Lines of Accounting (LOA), the Alternate LOAs, and C.A.R.E. data input.

- c. Ensure that the FCO provides an activity fund cite to the paying office against which prompt payment interest can be charged.

- d. The FCOs will--

- (1) Assign one line of accounting classification ("bulk" funding method) for each cardholder account and coordinate with the APC who will enter the accounting classification in the Master Accounting Code field within the GPC Program.

- (2) Approve each new cardholder and BO's monthly spending limit and coordinate funding issues with the APC.

1-11. Installation Logistics and Engineering Activities

The installation logistics and engineering activities will--

a. Establish procedures that minimize paperwork, yet allow cardholders to determine within 1 duty day, if required centrally managed item(s) costing \$2,500 or less are stocked and required quantity is available. Notify cardholders if items are stocked in Government inventory and available in time to meet mission requirements. (See chap 2-2, para c(1).)

b. Eliminate stock record accounting for non-standard, non-stocked, local purchase items of supply, thereby streamlining property accountability requirements.

c. Coordinate transition from using General Services Administration (GSA) cards to the GPC for GSA Customer Supply Center (CSC) purchases.

d. Ensure that cardholders receive a listing of pre-approved and pre-authorized (via the controlling servicing organizations) categories of supplies (federal stock classes) for purchases when using the purchase card. This would allow cardholders to purchase without further review and approval. For example, office and cleaning supplies could be purchased directly from GSA or office furniture could be purchased directly from Federal Prison Industries (FPI). Trade name for FPI is UNICOR. Note, that for UNICOR purchases for Department of Defense (DoD) activities, an FPI clearance is not needed for orders of listed items totaling \$250, or less that require delivery within 10 days (FAR 8.606(e)).

e. Coordinate with DOC to provide property accountability and supply processing instructions for the GPC official training.

f. Review requests for purchases of non-expendable property book items by the property book officer (PBO) and indicate if an item is expendable or non-expendable.

g. Ensure procedures for GPC purchases are incorporated into Installation Command Supply Discipline programs and Hazardous Material (HAZMAT) programs.

1-12. Director of Information Management (DOIM)

The DOIMs will--

a. Establish appropriate procedures to expedite approvals for requests to purchase capability requirements of IT equipment, supplies, or services when using the GPC.

b. Ensure that capability requirements needed for IT items or services are appropriately satisfied.

c. Ensure that all requests for printing services are processed through the installation/garrison DOIM printing and duplicating control manager to the Defense Automated Printing Service (DAPS).

1-13. Agency Program Coordinator (APC)

The APCs will--

a. Be responsible for overall coordination and operations of the GPC program at the installation/garrison level. An alternate APC should be appointed to ensure an effective and efficient program.

b. Develop standing operating procedures (SOP) for the installation/garrison GPC program.

c. Serve as the liaison between participating installation/garrison activities, GSA, and the U.S. Bank.

d. Administer the day-to-day operations and perform program administration, which includes:

(1) Set-up and process new BO and cardholder accounts in C.A.R.E.

(2) Update and change existing accounts (i.e., address/phone number changes, merchant activity code, monthly spending limits, etc.).

(3) Ensure any abuses in the GPC program result in the appropriate penalties, suspensions, or cancellations.

(4) Ensure delinquent and inactive accounts and cards are cancelled appropriately and in a timely manner.

(5) Maintain statistics and management reports relative to the GPC program.

(6) Provide sound business advice and assistance to BO and cardholders in resolving questions, problems, and disputes.

e. Ensure that actions are taken to resolve delinquent payments on cardholder accounts as a result of:

(1) Late reconciliation of the statement of account (SOA) by cardholders.

(2) Late certification of billing statement.

(3) Payments lacking identification to the invoice and general confusion on amounts due.

f. Develop, coordinate, and conduct training and surveillance of the GPC program to cardholders and BOs as prescribed in Federal, Army and agency regulations. Subject matter covered shall include, but not be limited to:

(1) Policies

- FAR
- Purchase/authorization of GPC
- Security

(2) Procedures

- Account set-up
- Card issuance/card activation
- Account maintenance
- Transaction management and accountability
- Monthly billing
- Lost/stolen cards
- Disputed transactions
- Delinquent accounts
- Rebates
- Reconciliation
- Invoice payments
- Account suspension
- IM/IT services (i.e., printing, telecommunications and capability requirements)

(3) Systems (C.A.R.E.)

1-14. Billing official (BO)

The BOs will--

a. Be nominated by the unit commanders, heads of MACOM staffs, directors of installation/garrison staffs, or other equivalent positions.

b. Normally be at a level above the cardholder such as a direct supervisor, division chief, or someone else within the chain of command.

c. Receive prescribed GPC cardholder training and C.A.R.E. training prior to being issued a letter of appointment and a delegation of appointment authority for certification.

d. Ensure that cardholder(s) under his/her control receives prescribed GPC and C.A.R.E. training prior to being issued a cardholder delegation of authority by the DOC.

e. Establish the maximum monthly cardholder and office limits for GPC purchases during the monthly (30-day) cycle.

f. Review each cardholder's SOA and verify that all purchases were made for official Government purposes, were authorized by governing Federal and agency regulations, and are being accounted for in accordance with Army and local regulations.

g. Report all improper GPC uses to the APC and recommend the cardholder for suspension or cancellation.

h. Report to the APC any changes to the GPC account (e.g., change in BO, cardholder, address, phone number, monthly spending limit increases or decreases, merchant activity code, etc.).

i. Serve a "certifying official" with authority to review, approve, and "certify for payment" the official billing account invoice.

j. Reconcile and certify the cardholder's SOA for payment electronically in C.A.R.E. and ensure appropriate GPC back-up documentation is retained for a period of 3 years.

k. Review accounts monthly to insure that payments are current, delinquent accounts are resolved, and suspenses are met.

l. Perform certification responsibilities to include:

(1) Pecuniary liability for illegal, improper, or incorrect payment as a result of an inaccurate or misleading certification of cardholders and their statement of account.

(2) Timely reconciliation and certification of the billing statement to ensure full payment, prevent late payment penalties and interests, and to ensure maximum receipt of rebates.

(3) Ensuring disputed procedures are implemented on questioned items pending resolution.

1-15. Cardholder

The cardholders will--

a. Receive orientation and training on the GPC and C.A.R.E.

programs prior to being issued a cardholder delegation of authority by the DOC.

b. Maintain card security to prevent unauthorized charges against the account. **NO OTHER INDIVIDUAL IS ALLOWED TO USE THE GPC EXCEPT FOR THE INDIVIDUAL WHOSE NAME APPEARS ON THE CARD.**

c. Ensure the following prior to making a micro-purchase:

(1) Authorization to purchase. All cardholders shall retain the written delegation of authority issued from the DOC on file.

(2) Adequate funds are available. Cardholders shall not exceed the single purchase threshold of \$2,500, or exceed the authorized monthly (30-day) spending limit without obtaining additional funding from the FCO.

(3) Utilize purchase logs to record, track, reconcile, and maintain purchase card transactions.

(4) Coordinate with the local PBO for accountability of all non-expendable items \$300 and above as required by AR 710-2.

(5) Reconcile the SOA. At the end of each billing cycle, U.S. Bank will forward the cardholder's SOA listing all purchases made for that cycle. Reconcile by matching and/or verifying all micro-purchase transactions and amounts ordered with merchants on the SOA.

(6) Once reconciliation is complete, the cardholder will sign the SOA, attach all receipts, order slips, invoices, or other supporting documentation and forward the entire report (electronically under C.A.R.E.) to the BO no later than 5 working days of receipt.

1-16. Paying Office

The DFAS makes payment in accordance with the BOs certification and the Prompt Payment Act, no later than the 15th of the next month.

1-17. U.S. Bank

The U.S. Bank--

a. Provides APCs with on-line access to the bank's website and database using a desktop reporting software electronic medium

known as C.A.R.E. (<https://care.usbank.com/>) (Note: The APC must submit a request for a user ID and personal identification number (PIN) for access by authorized personnel through the U.S. Bank.)

b. Automates the process of new cardholder and BO account application and provides data and report files electronically.

c. Pays the merchant/vendor in a timely manner and receives reimbursement from the DFAS paying office.

d. Issues a monthly statement and a BOs official billing invoice within 5 working days at the end of each monthly billing cycle. For the Army, the billing cycle closing date is the 23rd of the month.

e. Provides GPC customer service assistance and support on any purchase card inquiries, 24 hours, 365 days-a-year, at a toll free, number 1-800-254-9885.

Chapter 2 Procedures

2-1. Cardholder account set up

a. The BO will submit a nomination request for an individual, through the FCO, to the DOC for delegation of appointment authority as a cardholder.

b. The FCO, based on nomination information for the new cardholder account, will--

(1) Approve the cardholder's and BOs 30-day monthly spending limit for the billing cycle, retain a copy of the request to support the obligation, and coordinate with the APC.

(2) Prepare and assign one default accounting classification (e.g., "bulk" funding) to each customer account and subsequent alternate lines of accounting for various element of resource codes. These codes are coordinated with the DRM point of contact for the installation/garrison. The APC will enter the accounting classification codes into the C.A.R.E. system. The most appropriate element of resource for purchase transactions will be assigned. The fund citation should be as follows:

POSITION (NNNN)	LENGTH	Allotment Serial Number
1-2	2	Department (NN)
3	1	Fiscal Year (X)
4-7	4	Basic Symbol (NNNN)
8-11	4	Limitation (NNNN)
12-13	2	Operating Agency (XX)
14-17	4	Allotment Serial Number (9999)
18-21	4	Element of Resource (XXXX)
22-35	14	Document Register No. (XXXXXX)
36-41	6	Account Processing Code (XXXX)
42-44	3	Blank (ZZZ)
45-50	6	Fiscal Station Number (XXXXXX)

(3) Once "bulk" funding has been assigned, forward the information and the nomination request to the APC for card issuance.

c. The APC--

(1) Submits the cardholder's application to U.S. Bank for processing. The information provided includes the Master

Accounting Code and paying office. The paying office must be the same as the funded fiscal station.

(2) Coordinates and schedules prescribed GPC training.

(3) Ensures that the cardholder is issued the purchase card after completion of training.

2-2. Making a micro-purchase transaction

a. The cardholder ensures the following elements are present prior to making any purchases:

(1) Authorization to purchase. Any individual making a Government purchase using appropriated funds shall be approved and duly authorized in writing by the DOC with delegated acquisition authority as a cardholder.

(2) Availability of funds. Funds must be available within the cited funding appropriation prior to the purchase action. The available balance must be sufficient to cover the cost of each anticipated purchase. Outstanding charges not on the current SOA must be debited from the next month's limit.

(3) Ensures receipt for an item of supply/service from a Government employee within their organization. A request may be mailed, faxed, or telephoned with written confirmation. (Note: Formal documentation such as the DA Form 3953, Purchase Request and Commitment, is no longer required, however a written record to demonstrate the need is required as an audit trail.)

(4) All requirements for printing shall be processed by DAPS in accordance with Title 44 of the U.S. Code. Individuals requesting exceptions to this policy, and contract directly with the Government Printing Office, may do so only when authority is granted by the secretary of a military department or head of a defense agency for printing and duplication services otherwise available through the DAPS. All requests for printing requirements and/or services are coordinated with the DOIM printing and duplicating control manager for approval.

b. Funds must be available to make any purchase. If funds are not available, contact the BO for a funds increase, who in turn will contact the FCO for additional funding. If new fiscal year funds are "subject to availability," coordination with the FCO is required prior to any purchases. The FCO will--

(1) Obligate the necessary additional funds (subject to availability of funds).

(2) Coordinate the change in cardholder's monthly spending limit with the APC who in turn will make the change with the U.S. Bank.

c. Determine if the item to be purchased is available through the required sources of supply in accordance with FAR Part 8, or is included on a listing of items pre-approved for GPC purchases. The required sources are:

(1) Activity/Installation Inventories

(2) UNICOR

(3) National Industries for the Blind/Severely Handicapped (NIB/NISH)

(4) Wholesale Supply Sources. Cardholders can use the purchase card to obtain goods and services through GSA. The GSA has recently automated their catalog into their automated Internet website GSA Advantage (<http://www.gsa.gov/>). This Internet service gives authorized Federal Government users access to thousands of commercial items available from GSA at the lowest possible prices and has incorporated items from NIB/NISH and Javits-Wagner-O'Day (JWOD). They can be reached at 1-800-525-8027 or fax your order to 1-800-856-7057. The GSA website for tax exempt letters is: <http://www.fss.gsa.gov/services/gsa-smartpay>.

d. Make the purchase through a commercial source when the item is not available through mandatory sources, such as GSA, or if better prices may be obtained from a Government desktop contract. The GSA has established contracts with five major commercial supply firms, Staples, Office Depot, Boise-Cascade, Corporate Express, and Innovative Sales Broker.

e. Ensure appropriate documentation is obtained to verify purchases. Most micro-purchase transactions are made by telephone versus over the counter. Any purchases, whether over the counter, telephone, or fax, require documentation as proof of purchase (i.e., register tape, packing slip, etc.).

f. Advise the merchant when purchasing items by phone or over-the-counter, that the purchase is for official U.S. Government use and, therefore, is not subject to state or local sales tax.

g. Make the purchase within delegated authority as prescribed by the training received.

h. Determine that the price is fair and reasonable. After completion of the purchase transaction, the transaction total is verified. Emphasis must be placed with the merchant that the shipping charges are to be included in the price and shall not to be billed as a separate item.

i. Record the purchase transaction onto purchase card logs.

j. Receive the order and retain the shipping label or invoice as evidence of receipt of items.

k. When the cardholder purchases non-expendable items, he/she must annotate the make, model, and serial number on the receipt and provide a copy to the appropriate hand receipt holder. The hand receipt holder will follow instructions in the DA Pam 710-2.1 for the proper accountability of non-expendable items.

l. Issue the order of supplies/services to the requester for use.

2-3. Account reconciliation and payment

a. **The cardholder.** Upon receipt of the monthly SOA, the cardholder will--

(1) Reconcile the SOA with the back-up documentation. This process requires the cardholder to match and/or verify all purchase card transactions ordered with merchants on the SOA against the back-up log/records, and appropriately tag each transaction as billed and received.

(2) Implement appropriate procedures with merchants to resolve questioned transactions (e.g., items of supplies/services that are defective; billed, but not received; received but not billed, not received and not billed, and unauthorized charges for items of supplies or services).

(3) Utilize the DoD "pay and confirm" policy, which means, that all billing statements should be paid in full and confirmed after payment. In other words, pay first and dispute later. This procedure has been established to reduce payment time and avoid delinquencies. However, cardholders are encouraged to resolve questionable transactions immediately with the merchant. If an immediate resolution is unsuccessful, then the "pay and confirm" procedures apply and the disputes process should be implemented.

(4) Once the cardholder reconciliation is complete, all receipts and supporting documentation is attached and forwarded

(preferably electronically) to the BO no later than 5 working days of receipt of the SOA.

b. **The Billing Official.** Upon receipt of the BOs official invoice and receipt of each cardholder's monthly report, the BO will--

(1) Reconcile the billing statement. This process requires the BO to review and verify that all purchases made by the cardholder match the summary billing statement and all charges were for official Government purposes in accordance with federal, Army, and agency regulations.

(2) Certify the invoice for payment. Once reconciliation is complete, the statement is signed and forwarded to the paying office no later than the 15th of the following month, and within 5 days after the billing cycle (the 23rd of each month).

(3) Retain a copy of the certified billing statement report for a period of 6 years and 3 months. Provide information copies of the report to FCOs, who will in turn post-obligated funds for the billing cycle and adjust the cardholder's account.

(4) Rebates. Rebates are based on the dollar value of card purchases and the speed with which BO's pay the bank's invoice. The more you buy with the card and/or the faster you pay, the higher the rebate. The rebate is returned quarterly in the form of a credit to the BO's account.

(5) Delinquent Accounts. When a billing account becomes delinquent in its payment obligations the suspension procedures authorized in the current DoD policy will be strictly enforced. For suspension purposes, an account is considered past due if payment for undisputed principal amounts has not been received 45 calendar days from the billing date. An account may not have more than 0.75% of their total receivable at the bank over 60/90 days past due. **DoD requires U.S. Bank to suspend any billing account that goes 60/90 days delinquent until paid. If two delinquencies over 60/90 days occur in a 12-month period, the BO account is cancelled. If any of those accounts go 180 days delinquent, the entire activity (all accounts under the APC) will be suspended. If any account is suspended twice in a 12-month period, all accounts under the Level IV is cancelled.** If the BOs account(s) are cancelled, the DA, the Commander and/or the Chief Contracting Office will review the account(s) to determine if this BO will be reinstated after payment.

2-4. Disputed transaction**a. The cardholder will--**

(1) Work directly with the merchant to correct any disputed transactions on the SOA. If the vendor does not correct the dispute by the next month's billing cycle (45-days), the cardholder shall initiate a formal dispute.

(2) Submit a formal dispute by completing the form "*Cardholders' Statement of Questioned Items*" (CSQI) and forward it to the bank. A copy of the CSQI is also sent to the BO along with the SOA and supporting documents.

(3) Ensure that the CSQI is received by U.S. Bank within 60-days from receipt of the SOA that contained the disputed transaction. Cardholders will continue to work with the bank until the dispute is resolved.

(4) Take the appropriate action on inaccurate or incorrect transactions should the following circumstances arise on the SOA:

(a) Defective Supplies. If an item purchased is found to be defective (e.g., price, quantity, or quality), contact the vendor for replacement or correction as soon as possible. If the vendor refuses to replace or correct the faulty item or issue a credit for the charge, the cardholder will initiate a formal dispute with U.S. Bank by completing the CSQI.

(b) Supplies and services **not received and not billed**. Contact the vendor and verify immediate shipment or cancel the purchase card buy.

(c) Supplies and services **not received but billed**. Contact the vendor for status of the order. If the vendor will not issue a credit to the card and the account after it has been requested, process a CSQI, with signature, for the requested item.

(d) Supplies and services **received but not billed within the 30-day billing cycle**. Contact the vendor to ensure the proper paperwork has been forwarded to the vendor's bank. If the supply or service is not billed on the next SOA, notify the APC.

(e) Unauthorized Charges. Determine if charge(s) on SOA is authorized by first matching preliminary totals with statement totals. If there is a discrepancy, match receipts and statement

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line items. Once a charge is determined unauthorized, contact the vendor to resolve the charge and/or request a credit from the vendor. If the vendor will not issue a credit, note the circumstances, sign and initiate a formal dispute with U.S. Bank by completing a CSQI requesting credit for the unauthorized charge.

Note: The major change in the dispute procedures is that the cardholders' SOA will be paid in full regardless of whether a CSQI is initiated.

(5) Transaction Dispute Office. A transaction disputes office (TDO) may be designed by the installation/garrison to assist in tracking and resolving disputed purchases and transactions. The TDO serves as the focal point for disputing transactions and serves as a liaison between the BO and APC.

Chapter 3

General Use

3-1. Conditions for Use

Use of the purchase card shall meet the following conditions:

a. **Use of the GPC is mandatory for all micro-purchases (\$2,500 for supplies and services and \$2,000 for construction),** in accordance with the FAR Part 13.301. Limited exceptions may be granted only by approval of a senior executive service or general officer.

b. The total dollar amount for a single purchase transaction, which may include multiple items, shall not exceed the authorized single micro-purchase limit of \$2,500 (for construction, \$2,000). A purchase will be denied if the micro-purchase transaction exceeds the single purchase limit.

c. Requirements will not be split in order to stay within the micro-purchase (single) limit.

3-2. Over-the-counter purchases

All items purchased over the counter must be immediately available. If the item is not immediately available, ensure the vendor does not charge until the item(s) is shipped.

3-3. Telephone orders

a. All GPC telephonic orders (with written confirmation) must be delivered by the merchant or GSA CSC prior to the end of the current 30-day billing cycle. An order will not be placed without this assurance.

b. All items purchased during one telephone transaction should be delivered within the billing cycle. Ensure the vendor does not charge until the item(s) is shipped.

Chapter 4

Internal Management Control

4-1. Inspections and audits

The APCs will conduct annual inspections, and quarterly audits of their installation/garrison GPC program. In addition, Accommodation Checks and their accounts will be reviewed at least quarterly to safeguard the integrity of the program. These inspections and audits must be consistent with the GPC guidance in FAR, with DA policy, and this regulation. APCs must ensure all cardholder and BO accounts are properly managed and abuses in GPC use are not occurring. A random sample method may be used and results of these annual inspections and quarterly audits shall be recorded in a memorandum (with supporting documentation) commensurate with its scope and complexity. These reports must be made available for review by oversight activities. Reviews shall be consistent with guidance provided throughout this regulation.

4-2. Authorized use

The unique purchase card is specially designed showing the Great Seal of the U.S. and the words "United States of America" imprinted on it to avoid being mistaken for a personal credit card. The cardholder's purchase card has his/her name embossed on it and shall only be used by that individual. No other person is authorized to use his/her card.

4-3. Unauthorized use and general prohibitions

a. The GPC will not be issued until designated cardholders and BOs have completed orientation training on the purchase card program.

b. The BO may be the cardholder's direct supervisor or someone else within the chain of command that can provide an oversight function without creating a conflict of interest (e.g., property book officers will not be appointed as cardholders or as BOs; cardholders cannot be cardholders and billing officials; nor can individuals with fund certification authority be appointed as BOs for the funds they control).

c. Purchases made on the GPC by individuals other than the authorized cardholder.

d. Obtain cash advances under any circumstances (includes money orders).

- e. Rent or lease motor vehicles.
- f. Long-term rental or lease of land or buildings.
- g. Purchase meals, drinks, lodging, or pay for any travel costs associated with Travel Orders.
- h. Purchase airline, bus, or other travel-related tickets.
- i. Purchase gasoline or oil for interagency fleet management vehicles.
- j. Pay for repair of interagency fleet management vehicles.
- k. Purchase telecommunications (telephone) services (e.g., major systems such as FTS2000 or Defense Systems Network).
- l. Purchase of IM/IT assets (PCs, software, peripheral devices, non-tact radios, audio/video equipment, copiers, facsimile machines, pagers, cellular telephones, etc.) without written approval from the DOIM.
- m. Splitting of requirements and purchases (to include time, quantity, and cardholders).
- n. Payment for ratification of unauthorized commitments unless the files are properly annotated, and the ratification action is properly documented in accordance with FAR 1.602-3.
- o. Personal use.
- p. Items or services that cannot be purchased with appropriated funds (e.g., gifts and/or mementos).
- q. Making purchases and returning them to vendors for cash or vendor credit slips - (credits must be issued against the same card on which purchases were made).
- r. Purchases by contractors - (contractors must obtain credit cards directly from the bank, subject to the approval of the APC).
- s. Purchases for miscellaneous items, such as light refreshments at conferences, meetings, and training sessions, and the purchase of refrigerators, microwaves, silverware, coffee pots, etc., may be authorized with exception. For guidelines on what is authorized and what is prohibited, contact your APC before purchasing these or other questionable items or services.

4-4. Lost or stolen cards

a. If a card is lost or stolen, the cardholder will notify the bank immediately to protect the account against fraudulent charges. In the Continental United States call 1-888-994-6722. The U.S. Bank will cancel the lost card and issue a new card within 10 working days.

b. The cardholder will notify the BO of the lost or stolen card within one working day after discovering the card is missing.

c. The BO will make a written report to the DOC in accordance with local procedures. At a minimum, the report will include the date of loss, location where loss occurred, if known, the last purchase made, and any other relevant information.

4-5. Separation of cardholder

a. Upon separation from the organization or termination of purchase card privileges, the GPC is to be surrendered to the BO who will destroy the card and send a destruction notice and a request to cancel the cards to the APC. The APC will notify the U.S. Bank and ensure the account has been cleared prior to cancellation of that card and account.

b. Upon a cardholder's departure, the APC must ensure the GPC is turned-in and the individual is properly out-processed.

4-6. Transfer of a cardholder to another BO

If a cardholder is transferred to another office with a different BO, the new BO must determine if the cardholder will remain active under his supervision. If the cardholder will be retained, a written request must be sent through the FCO to the DOC for a new purchase card.

4-7. Standing operating procedure (SOP), assistance and coordination

Assistance and coordination can be obtained from MACOM and installation functional proponents (i.e., DCSRM, DCSSPT, CIO, etc.) or installation APC.

Chapter 5 Army Accommodation Checks

5-1. General

a. The Department of the Army (DA) has authorized the use of Accommodation Checks (also referred to as Convenience Checks) to all U.S. Army activities and tenants participating in the MDW GPC Program.

b. The checks were established to replace the former cash imprest funds. Purchases, typically made with imprest funds, are now made with the GPC. However, there are instances where the GPC cannot be used. For instance, some vendors, merchants and/or individuals simply do not want the GPC, or they do not have the capability to process the GPC. These are instances where the Accommodation Checks are used.

5-2. Accommodation Check Accounts

a. Accounts for the Accommodation Checks will be determined by an activity justification requested through an application process. They will be established with a single purchase limit requested by the contracting office and approved by DA. **Please note that Accommodation Check accounts will not be established with GPC accounts that are in a delinquent status.**

b. These accounts must be established separately from the GPC account and will follow the basic rules for funds control currently in place for the GPC. That is, checking accounts will be "bulk" funded, and a single line accounting classification will be provided by the DRM.

c. There are administrative costs associated with the check accounts, and activities will be responsible for funding and paying for these administrative costs. **Contact your installation APC to obtain the Army Accommodation Checks and account setup procedures.**

d. Before an Accommodation Check is used, the paying agency must make every effort to use a GPC or Travel Card, as applicable, to make necessary purchases. Maximum effort shall be taken to find and use vendors that accept the purchase card as the primary payment vehicle. For example, the use of electronic or telephone catalog ordering service coupled with overnight delivery.

e. A cardholder must be issued a separate account for their Accommodation Checks from their GPC account. These checks must be safeguarded, as would any legal tender (to include the GPC), from theft, fraud, waste, and abuse. For safekeeping, a logbook to register check entries and safe to lock the checks are recommended.

f. Reporting of 1099 information on all Accommodation Check purchases shall be submitted to DFAS annually by the APC.

5-3. Accommodation Check screening process

a. In an ongoing effort to detect fraud, waste and abuse, DoD has instituted an Accommodation Check screening process called Operation Mongoose. Operation Mongoose detects checks issued exceeding the authorized limit of \$2,500. This zero tolerance policy also detects the issuance of checks to vendors who are authorized to accept the purchase card, such as the U.S. Postal Service, in which case the use of the Accommodation Check is inappropriate and not authorized.

Glossary

Section I Abbreviations

AFARS	Army Federal Acquisition Regulation Supplement
AR	Army regulation
APC	agency program coordinator
BO	billing official
C.A.R.E.	Customer Automation and Reporting Environment
CCO	Chief Contracting Office
CIO	Chief Information Officer
CSC	customer service center
CSQI	Cardholders Statement of Questioned Items
DA	Department of the Army
DAPS	Defense Automated Printing Service
DCSRM	Deputy Chief of Staff for Resource Management
DCSST	Deputy Chief of Staff for Support
DFAS	Defense Finance and Accounting Service
DOC	Directorate of Contracting
DoD	Department of Defense
DOIM	Director of Information Management
DOL	Director of Logistics
DPW	Department of Public Works
DPW&L	Department of Public Works and Logistics
DRM	Director of Resource Management
FAR	federal acquisition regulation
FCO	funds control officer
FIPS	Federal Information Processing
FPI	Federal Prison Industries
GPC	Government Purchase Card
GSA	General Services Administration
HAZMAT	hazardous material
IM/IT	information management/information technology
IT	information technology
JWOD	Javits-Wagner-O'Day
LOA	lines of accounting
MACOM	major Army command
MDW	U.S. Army Military District of Washington
NIB	National Industries for the Blind
NISH	National Industries for the Severely Handicapped
PARC	Principal Assistant Responsible for Contracting
PBO	property book officer
SOA	statement of account
SRA	stock record account
SOP	standing operating procedures
U.S. Bank	U.S. Bank and I.M.P.A.C. Government Services

Section II

Terms

Accommodation Checks

Accommodation checks were established by DA to replace the former cash "imprest funds," and are used when vendors, merchants and/or individuals simply do not want the GPC, or they do not have the capability to process the GPC.

agency program coordinator (APC)

An individual designated by the PARC or the Director of Contracting to perform overall management and oversight of the GPC program and training within the limits of delegated authority.

billing official (BO)

An individual within a directorate or activity who has responsibility for one or more cardholders, certifies the cardholder's monthly Statement of Account, and ensures that payments are made for authorized purchases in accordance with FAR and agency regulations.

cardholder

An individual designated by the Chief Contracting Office to whom a card is issued and procurement authority is delegated. The card bears the cardholders name and may only be used by this individual for authorized U.S. Government purchases.

certification

The act of attesting to the legality, propriety, and correctness of a document for payment as provided for in 31 U.S.C. 3528(a).

credit card purchase log

Manual log to be used to record GPC purchases only when an automated method or record is not available.

delegation of authority

A document issued by the Chief Contracting Office and approved by the PARC or the Chief Contracting Office that establishes the individual as an authorized cardholder or billing official. This delegation of will specify the single purchase and monthly purchase limitations unique to that cardholder and billing official.

dispute

Any billing discrepancies (except tax or shipping and handling charges) with the vendor that cannot be resolved between the cardholder and vendor. (See Cardholder Statement of Questioned Item.)

Government Purchase Card (GPC)

A Government-wide commercial purchases card (VISA) from U.S. Bank, Corporate Payment Systems Division. This is an internationally accepted VISA purchase card that is refined from the former I.M.P.A.C. Purchase Card by the Rocky Mountain Bank Card System. It was developed as a method to streamline acquisition and support the DoD paperless solution for procurement. Backed by a decade of working in partnership with the U.S. Government, the U.S. Bank, and the Government Services Administration, this purchase card allows the cardholders to purchase small-cost items of supplies and services under an established delegation of authority. It is a distinctively designed card, which bears the legend "For Official Government Use Only."

merchant activity type (MAT) code

When a merchant becomes Visa-capable, they are assigned a Merchant Category Classification or Standard Industrial Classification code by their processing bank according to their industry type. For ease of use, these codes are grouped into categories called Merchant Activity Type codes.

statement of account (SOA)

The document printed every month, on the cycle date, for any cardholder having activity during that cycle period. It is sent directly to the address that appears on the cardholder's account.

Section III**Special Terms****conditions for use**

Specific conditions that supplies and services must meet and be considered before use of the GPC.

Customer Automation and Reporting Environment (C.A.R.E.)

A program developed by U.S. Bank for paperless billing, reconciliation, and payment of the GPC. It is an automation tool that records, reconciles, and pays GPC purchases.

Micro-purchases

Small cost items of supplies or services valued at \$2,500 or less, and \$2,000 for construction.

monthly spending limit

The maximum dollar amount that a cardholder can spend within a

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billing cycle (e.g., the 24th through the 23rd of the next month). This amount is specified in the cardholder's appointment letter.

single purchase limit

A dollar amount that limits a single micro-purchase transaction to a maximum of \$2,500 for supplies and services, and \$2,000 for construction.

tax-exempt status

All micro-purchases made using the GPC purchase card are exempt from local, state, and Federal taxes.

unauthorized purchases

A purchase made by a person whose name does not appear on the GPC; or uses the credit card for personal gain; or purchases an item not authorized for purchase by the GPC.